



PUBLIC NOTICE

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DA 07-3485
July 31, 2007

DOMESTIC SECTION 214 AUTHORIZATION GRANTED

Application Filed for the Transfer of Control of KeySpan Communications Corp. to National Grid plc, National Grid USA and National Grid US8 Inc.

WC Docket No. 07-55

By the Chief, Wireline Competition Bureau:

On March 19, 2007, KeySpan Communications Corp. (“KeySpan”), National Grid plc, National Grid USA, and National Grid US8 Inc. (“National Grid Companies,” together with KeySpan, “Applicants”), filed an application, pursuant to section 63.04 of the Commission’s rules,¹ requesting authority to transfer control of KeySpan to the National Grid Companies.

The Commission released a public notice accepting the application for streamlined processing on March 27, 2007.² On April 6, 2007, the Department of Homeland Security, with the concurrence of the Department of Justice, including the Federal Bureau of Investigation (collectively, the “Executive Branch Agencies”), filed a letter requesting that the Commission defer grant of this application while the Executive Branch Agencies address potential national security, law enforcement, and public safety concerns.³ In response to the request, the Wireline Competition Bureau removed the application from streamlined review.⁴ On July 26, 2007, the Executive Branch Agencies withdrew their April 6, 2007 request to defer action noting that they have no objection to a grant of the application.⁵

The Wireline Competition Bureau finds, upon consideration of the record, that grant of the application will serve the public interest, convenience, and necessity. Upon consummation of the

¹ 47 C.F.R. § 63.04; *see* 47 U.S.C. § 214.

² *Domestic Section 214 Application Filed For the Transfer of Control of KeySpan Communications Corp. to National Grid plc, National Grid USA and National Grid US8 Inc.*, WC Docket No. 07-55, Public Notice, DA 07-1455 (rel. Mar. 27, 2007).

³ Letter from Stephen Heifetz, Director, Foreign Financial and Investment Issues, United States Department of Homeland Security, to Marlene H. Dortch, FCC, WC Docket No. 07-55 (filed Apr. 6, 2007).

⁴ *Notice of Removal of Domestic Section 214 Application From Streamlined Treatment*, WC Docket No. 07-55, Public Notice, DA 07-1769 (rel. Apr. 18, 2007).

⁵ Letter from Stephen Heifetz, Director, Foreign Financial and Investment Issues, United States Department of Homeland Security, to Marlene H. Dortch, FCC, WC Docket No. 07-55 (filed July 26, 2007).

transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent, and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to the transaction is dominant with respect to any domestic service.

Consistent with Commission precedent, the Wireline Competition Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.⁶ Therefore, pursuant to section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and section 0.291 of the Commission's rules,⁷ the Wireline Competition Bureau hereby grants the application discussed in this Public Notice.

Pursuant to section 1.103 of the Commission's rules, the grant is effective upon release of this Public Notice.⁸ Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules may be filed within 30 days of the date of this Public Notice.⁹

For further information, please contact Jodie May at (202) 418-0913, Competition Policy Division, Wireline Competition Bureau.

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⁶ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) ("*Foreign Participation Order*"), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.

⁷ 47 C.F.R. § 0.291.

⁸ *See* 47 C.F.R. § 1.103.

⁹ *See* 47 C.F.R. §§ 1.106, 1.115.